



# PROPOSED CAPITAL IMPROVEMENTS BOND ISSUE

Presentation to the Citizens  
Advisory Committee  
May 28, 2014



## PROPOSED CAPITAL IMPROVEMENTS BOND ISSUE

# Current Status of City's Capital Improvement Funding Sources

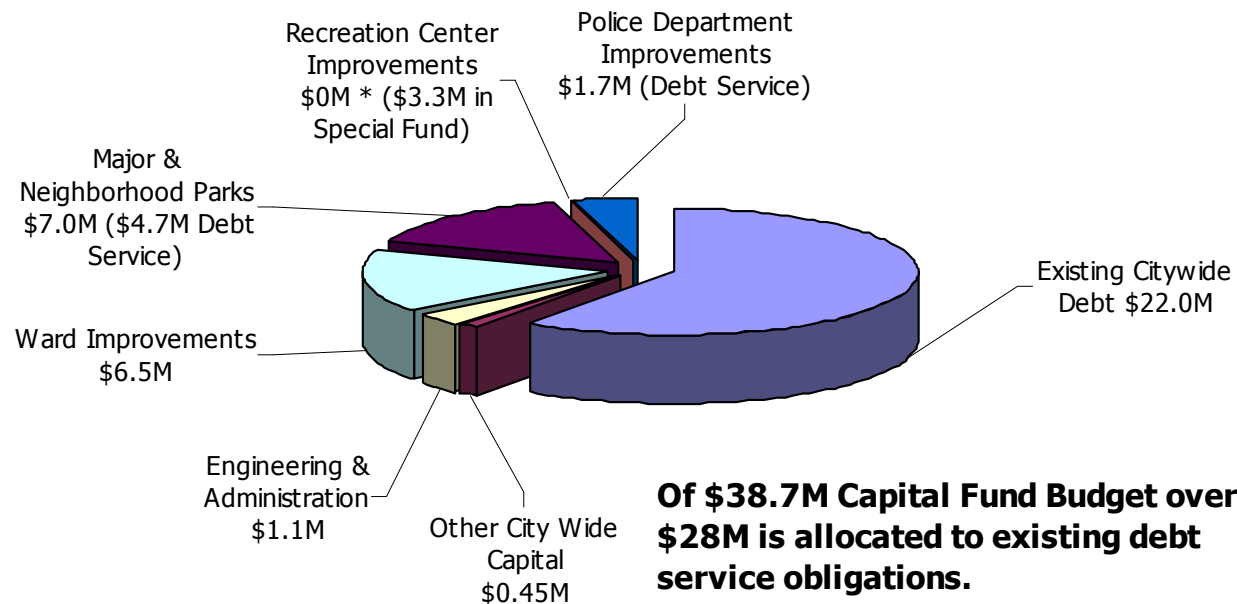
- ½ Cent Capital Sales tax approved in August 1993
- Parks and Recreation Improvement Sales taxes:
  - o Metro Parks District – 1/10 Cent November 2000 (50% to District and 50% to Local Parks)
  - o Metro Parks District – 3/16 Cent April 2013 (60% to district and 40% to Local Parks)
  - o Local Parks and Recreation – 1/8 Cent November 2006 (funded construction of new recreation centers and improvements to other centers)
- Other sources dedicated to Capital Improvements:
  - o ½ Operating Surplus from prior fiscal year
  - o Sales of City assets
  - o Gaming revenues, gasoline taxes, etc.
  - o Portion of utility taxes – St. Louis Works (separate annual appropriation)



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**FY2015 Capital Improvements Budget utilizes these existing sources primarily to meet current debt obligations; many items have been continually deferred highlighting need for longer term capital project funding.**

### **FY2015 Capital Improvement Funds Budget**





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### **To Address Growing Backlog of Capital Needs City's Capital Improvements Committee developed a Citywide Capital Needs Inventory.**

- Over \$320M in Capital Projects identified
- Needs encompassed Fire and Police departments, Streets and Bridges, Derelict Building Demolition, Court, Corrections and other Municipal Building improvements and service vehicle replacements
- Did not include Parks (recent sales tax supported parks bond issues)
- Projects were categorized and assigned a level of priority



### **Recommended Financing through a General Obligation Bond Issue**

- Supported by property tax levy - “full faith and credit” of City
- Last GOB Issues:
  - o 1999: \$65M Public Safety bond issue for Fire, Police and Building Demolition
  - o 2006: \$13M for financing of repairs to flood wall and street and bridge improvements
- While outstanding G.O. debt is well below legal capacity, City total debt is above average so need to set limits



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# Capital Committee Recommended A Funding Limit of \$175M With Identified Projects of \$155M Including:



- \$38.7M for Fire Department Vehicles and Equipment and Repairs to Engine Houses
- \$11.4M for Police Department Building Improvements and Equipment
- \$30.5M for Repairs and Improvements to Corrections Facilities as well as new PSAP facility (CEMA, 911 Dispatch)



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# Capital Committee Recommended A Funding Limit of \$175M With Identified Projects of \$155M Including:

- \$15.3M for Derelict Building Demolition
- \$17.9M for City Streets and Bridges (matching funds)
- \$32.2M for Repairs and Improvements to Other City Buildings and Facilities (e.g. Courts, City Hall, etc.)
- \$9.0M for replacement of service vehicles (e.g. Refuse and Street and Forestry maintenance trucks, etc.)





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# Illustration of Property Tax Impact

### ILLUSTRATION OF TAX LEVY IMPACT IN \$175M BOND ISSUE SCENARIO

<u>Year of Issue</u>	<u>Bond Issue Authorization</u>	<u>Tax Levy Impact</u>
2014	\$45.0 M	No tax increase required (utilize pending rollback in 2015 to finance) **
2015	\$65.0 M	Increase of approx. \$0.1505
2016	\$65.0 M	No increase required
	<u>\$175.0 M *</u>	

\* Per Stifel analysis 3/4/14

\*\* Update: Some existing GO debt to be repaid early keeping 2014 rate level

Appraised Home Value  
Appraised Car Value(s)  
Current Tax Burden (2013)  
Amount of Levy Increase \$0.1505 \*  
Tax Burden After Increase



\$75,000  
\$5,000  
\$1,208  
\$1,231



\$125,000  
\$15,000  
\$2,181  
\$2,224



\$250,000  
\$25,000  
\$4,236  
\$4,320

**Estimated Annual  
Net Tax Impact**

**\$24**

**\$43**

**\$84**

\*Assumes amortization of issues for 20 years @ 4.5% and 1% annual valuation growth





# Questions / Discussion / Next Steps

- Discussion of items on recommended list (Questions regarding items included or excluded?)
- Further items for consideration
- Other recommendations (e.g. form of ballot, etc.)
- Timeline: To be on ballot in November, Board of Aldermen must approve bill by summer recess (early July)